

Article 48A - Insurance Code

269.

(b) The Commissioner shall not approve any such plan[, ] OR procedure for mutualization unless[[:]]:

(1) It is equitable to stockholders and policyholders;

(2) It is subject to approval by the holders of not less than three fourths of the insurer's outstanding capital stock having voting rights and by not less than two thirds of the insurer's policyholders who vote on such plan in person, by proxy or by mail pursuant to such notice and procedure as may be approved by the Commissioner;

(3) If a life insurer, the right to vote thereon is limited to holders of policies other than term or group policies, and whose policies have been in force for more than one year;

(4) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair market value thereof as determined by competent disinterested appraisers;

(5) The plan provides for the purchase of the shares of any objecting stockholder in the same manner and subject to the same applicable conditions as provided by [Article 23, § 73,] TITLE 3, SUBTITLE 2 OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE OF THE CODE as to rights of nonconsenting stockholders, with respect to consolidation or merger of private corporations;

(6) The plan provides for definite conditions to be fulfilled by a designated early date upon which such mutualization will be deemed effective; and

(7) The mutualization leaves the insurer with surplus funds reasonably adequate for the security of its policyholders and to enable it to continue successful in business in the states in which it is then authorized to transact insurance business, and for the kinds of insurance included in its certificates of authority in such states.

271.

(a) Application of [Article 23] CORPORATIONS ARTICLE.—The provisions of [Article 23] THE CORPORATIONS AND ASSOCIATIONS ARTICLE OF THE CODE relating to consolidation and merger of stock corporations shall apply to the consolidations and mergers of domestic stock insurers and domestic and foreign stock insurers, except as otherwise provided in this section.